

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Application By BellSouth Corporation For	)	
Authorization Under Section 271 of the	)	
Telecommunications Act of 1996 to Provide	)	CC Docket No. 02-150
In-Region, InterLATA Services in Alabama,	)	
Kentucky, Mississippi, North Carolina and	)	
South Carolina	)	

**COMMENTS OF THE ALLIANCE FOR PUBLIC TECHNOLOGY**

The Alliance for Public Technology has consistently urged the Federal Communications Commission (FCC) to pursue the goal of Section 706 of the Telecommunications Act of 1996<sup>1</sup> in every relevant proceeding by encouraging the reasonable and timely deployment of advanced telecommunications capability to all Americans.<sup>2</sup> Section 706 authorizes the FCC and state telecommunications commissions to use "measures that promote competition in the local telecommunications market or other regulating methods to remove barriers to infrastructure investment," among other means, to achieve the goal of ubiquitous broadband deployment mandated by the Act.

The Alliance for Public Technology (APT) is a nonprofit organization of public interest groups and individuals. APT's members work together to foster broad access to affordable, usable information and communications services and technology for the purpose of bringing better and more affordable health care to all citizens, expanding educational opportunities for

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<sup>1</sup> 47 USC 157 note.

lifelong learning, enabling people with disabilities to function in ways they otherwise could not, creating opportunities for jobs and economic advancement, making government more responsive to all citizens and simplifying access to communications technology. To this end, it is APT's goal to:

make available as far as possible, to all people of the United States, regardless of race, color, national origin, income, residence in rural or urban area, or disability high capacity two-way communications networks capable of enabling users to originate and receive affordable and accessible high quality voice, data, graphics, video and other types of telecommunications services.<sup>3</sup>

The Alliance is not in a position to judge the compliance of any one company with respect to the 14-point checklist of requirements under Section 271, and thus relies upon the expertise of state regulators. We do note that the Public Service Commissions in the five states have approved BellSouth's application and concluded that the company is in compliance with the checklist items in Section 271. According to the Kentucky PSC, BellSouth has agreements with 70 CLEC's in Kentucky, which were serving approximately 95,000 customer access lines as of April, 2002. 64 percent of these lines were served by facilities based CLEC's. The Kentucky PSC stated it "expects Kentucky to show increased levels of competition if BellSouth is allowed to enter the long-distance market."<sup>4</sup> In South Carolina, the PSC found that over 55 CLEC's serve approximately 149,000 lines, a total of 8.8 percent of BellSouth's in-state market. 24 of these CLEC's are facilities based, serving 91,000 of the 149,000 CLEC lines. The South Carolina PSC stated "The Commission finds that competition in the local services market is

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<sup>2</sup> See, e.g., Petition of the Alliance for Public Technology Requesting Issuance of Notice of Inquiry and Notice of Proposed Rulemaking to Implement section 706 of the 1996 Telecommunications Act, CC Docket No. 9244 (Feb. 18, 1998) (APT Petition) at 12-13.

strong in South Carolina. . .competition in South Carolina is widespread.”<sup>5</sup> The North Carolina Utilities Commission found “BellSouth’s entry into the interLATA long distance market is in the public interest, and that it is in fact facing facilities based competitors.” Alabama and Mississippi arrived at similar conclusions

Further, BellSouth’s self-executing performance assurance plan, which is based on the plan enacted in Georgia, protects against backsliding. For example, in Kentucky, up to 36% of BellSouth’s net revenues are at risk annually for noncompliance.<sup>6</sup>

More importantly, BellSouth has demonstrated a commitment to increased investment in advanced telecommunications capabilities. According to the company, BellSouth has invested nearly \$36 billion in its network and approximately two-thirds of the traffic on the network is data. As of June 30, 2001 BellSouth had 3.8 million miles of fiber deployed.<sup>7</sup> Authorization to provide in-region long distance service in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina will facilitate BellSouth’s capacity to build on economies of scale and scope in order to provide a high standard of service and accelerated deployment of advanced technologies to the consumer.

In APT’s view, Section 271's interLATA prohibitions constrain the widespread deployment of advanced telecommunications infrastructure and therefore undermine Section 706, which seeks to promote investment in ubiquitous high-speed networks. APT maintains the belief that expeditious approval under Section 271 serves the public interest. Such action would

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<sup>3</sup> Alliance For Public Technology, *Principles to Implement the Goal of Advanced Service* at 3 (1995).

<sup>4</sup> Kentucky Public Service Commission Advisory Opinion, Case No. 2001-00105, at 5.

<sup>5</sup> South Carolina Public Service Commission Order, Docket No.2002-77, at 11-15.

<sup>6</sup> South Carolina Public Service Commission Order, Docket No.2002-77, at 28.

<sup>7</sup> BellSouth document, “BellSouth’s Commitment to the Deployment of Advanced Networks”

advance the goals of Section 706, and reaffirm the Commission's commitment to eliminating regulatory barriers to investment in high-capacity networks.<sup>8</sup>

The Commission again has the opportunity to bolster Section 706's impact by authorizing BellSouth to provide long distance telephone service in Alabama, Kentucky, Mississippi, North Carolina and South Carolina. APT strongly urges the Commission to seize this opportunity to increase facilities-based competition for local and long distance service, and promote ubiquitous broadband network deployment so that all residents of these states, regardless of their income level, location of residence, or physical disabilities, may improve the quality of their lives through access to new sophisticated telecommunications.

APT has every reason to believe that customers, particularly low volume users, will reap the same gains from lower prices and bundled services that New York, Massachusetts, Connecticut, Pennsylvania, New Jersey, Maine, Rhode Island, Vermont, Texas, Kansas, Oklahoma, Arkansas, Missouri, Georgia, and Louisiana residents are experiencing with RBOC entry into those long distance markets. According to a Telecommunications Research and Action Center (TRAC) study, six months after Verizon's entry in New York, there was a Verizon long distance calling plan that was less expensive than any AT&T, WorldCom, or Sprint national plan for all long distance customers with typical calling patterns, except those who make a very large number of calls per month.<sup>9</sup> In anticipation of and in response to SBC's entry into the Texas, Kansas and Oklahoma long-distance markets, incumbent long-distance carriers AT&T, WorldCom, and Sprint began to offer discounts on their regular long-distance plans to customers

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<sup>8</sup> Comments of the Alliance for Public Technology Supporting Bell Atlantic's Request for Authority to Provide Long Distance Service in New York, In the Matter of Application by New York Telephone Company (d/b/a Bell Atlantic-New York) Bell Atlantic Communications, Inc., NYNEX Long Distance Company and Bell Atlantic Global Networks, Inc., for Authorization to Provide In-Region , InterLATA Services in New York, CC Docket No. 99-295 (Oct. 19, 1999) )(APT NY Comments) at 2.

who also signed up for local service. These discounts are in the form of bundled long-distance monthly fees with local service charges and credits for signing up for a local/long-distance bundle.<sup>10</sup> As BellSouth prepared to enter the Georgia long distance market, AT&T unveiled a bundled package of local and long distance services starting at \$29.95 per month.<sup>11</sup> These actions demonstrate tangible benefits for consumers result from an increased number of competitors in the long distance market.

As BellSouth deploys its broadband networks, APT encourages the Commission to do all that it can to remove the barriers that inhibit the widest possible extension of these networks. Universal deployment will help all consumers, in Alabama, Kentucky, Mississippi, North Carolina, South Carolina and throughout the United States, to enjoy the benefits of advanced telecommunications capability.

APT respectfully recommends that the Commission authorize BellSouth to provide long distance service in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina.

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<sup>9</sup> See Telecommunications Research & Action Center, A Study of Telephone Competition in New York, Sept. 6, 2000.

<sup>10</sup> AT&T bundles residential local and long-distance service with a plan called “AT&T Local One Rate Texas.” See <[http://www.att.com/local\\_service/tx/html/index.html](http://www.att.com/local_service/tx/html/index.html)> (visited Oct. 9, 2000); see also J.G. Smith/Johnson Joint Aff. ¶ 43 (AT&T offers this local one rate only in Texas and New York, the two “states in which the incumbent Bell Operating Company has been given access to AT&T’s long distance marketplace”). New York was the first state, followed by Texas, where MCI WorldCom started offering its bundled local and long-distance service referred to as “One Company Advantage.” See David DeKok, Competitor Calls on Verizon’s Mid-State Clients, Harrisburg Patriot-News, Sept. 14, 2000; Bill Sulon, Telephone Companies Prepare for Battle, Harrisburg Patriot-News, Aug. 27, 2000; see J.G. Smith/Johnson Joint Aff. ¶ 46. And Sprint currently bundles residential local and long-distance service for Texans in five different configurations. See Sprint Local Service – Texas, available at <<https://clec.sprint.com/servlet?CLEC?PAGE+TOCOMPARE&MKT=0003?>> (visited Oct. 9, 2000); see J.G. Smith/Johnson Joint Aff. ¶ 45.

Respectfully requested,

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<sup>11</sup> “AT&T Offers Georgians a New Choice for Local Phone Service” See <http://www.att.com/news/item/0,1847,4233,00.html>